

**AMENDED**

**A G E N D A**

**UTAH BOARD OF WATER RESOURCES**

Department of Natural Resources

Auditorium

1594 W. North Temple

Salt Lake City, Utah

June 6, 2008

**1:00 p.m.**

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - April 25, 2008
- III. CHAIR'S REPORT
- IV. FEASIBILITY REPORTS
  - E212 Uintah Water Conservancy District      Uinta
- V. COMMITTAL OF FUNDS REPORTS
  - E235 Kays Creek Irr. Co.      Davis
  - L557 Deweyville Town      Box Elder
- VI. SPECIAL ITEMS
  - E213 Rocky Ford Irr. Co. (Additional Funds)      Beaver
  - E219 Wayne County (Additional Funds)      Wayne
  - E237 Whispering Pines Water Co.      Sanpete
  - (Authorization & Committal)
  - L560 Brigham City (Reauthorization)      Box Elder
- VII. DIRECTOR'S REPORT
- VIII. LAKE POWELL PIPELINE - BLM FUNDING
- IX. ELECTION OF OFFICERS
- X. ADJOURNMENT

## BRIEFING MEETING AGENDA

### UTAH BOARD OF WATER RESOURCES

Division of Water Resources  
Room 314  
1594 W. North Temple  
Salt Lake City, Utah

June 6, 2008

**10:00 a.m.**

- |      |                               |                    |
|------|-------------------------------|--------------------|
| I.   | WELCOME/CHAIR'S REPORT        | Chairman McPherson |
| II.  | DISCUSSION OF PROJECTS        | Board/Staff        |
| III. | LAKE POWELL PIPELINE UPDATE   | Eric Millis        |
| IV.  | BEAR RIVER DEVELOPMENT UPDATE | Eric Millis        |
| V.   | OTHER ITEMS                   |                    |

# BOARD OF WATER RESOURCES

## Revolving Construction Fund

### Funding Status June 6, 2008

Funds Available for Projects This FY \$ 10,966,000

#### Projects Contracted This FY

1 Mosby Irr Co (Amend)	D730			\$ 4,360,000
2 North Creek Irr Co	E181			288,000
3 Providence-Logan Irr Co	E191			193,000
4 Enterprise Res & Cnl Co (Upper Ent Dam)	C036	Grant	**	2,840,000
5 Enterprise Res & Cnl Co (Upper Ent Dam)	C036	Loan	**	160,000
6 Rocky Ford Irr Co	E213			87,300
7 Twin Creek Irr Co	E180			475,000
8 Deseret Irr Co	E101			96,000
9 North Creek Irr Co (Amend)	E181			54,000
10 Providence-Logan Irr Co	E191			15,300
11 DMAD Company (DMAD Dam)	C031	Grant	**	522,500
12 Division of Wildlife Res (Mill Hollow Dam)	C034	Grant	**	1,440,000

Total Funds Contracted	\$ 10,531,000
Funds Balance	\$ 435,000

#### Projects with Funds Committed

1 Utland Ditch Co	E182			\$ 270,000
2 Sevier Valley Cnl Co	E197			195,500
3 Kaysville Irr Co (Temporary Loan)	C037			738,000
* 4 Rocky Ford Irr Co (Amend)	E213			57,900
* 5 Wayne County (Re-committal)	E219			1,346,000
6 East Fielding Pump & Distrib Co	E230			57,000
7 South Cove Culinary Water Co	E222			66,000
8 Fountain Green Irr Co	E234			230,000
9 New Escalante Irr Co	C035	Grant	**	7,020,000
10 Glenwood Irr Co	E221			128,000
* 11 Whispering Pines Water Co	E237			225,000
* 12 Kays Creek Irr Co	E235			192,000

Total Funds Committed	\$ 10,525,000
Funds Balance	\$ (10,090,000)

#### Projects Authorized

1 Old Meadow Ranchos C&W Co	E210			\$ 68,000
2 Grave Yard Irr Co	E204			19,500
3 New Escalante Irr Co	E077			300,000

Total Funds Authorized	\$ 388,000
Remaining Funds Available	# \$ (10,478,000)

\* To be presented at Board Meeting  
\*\* Dam Safety Projects

# End of year balance if all listed projects were fully paid

## BOARD OF WATER RESOURCES

### Cities Water Loan Fund

#### Funding Status June 6, 2008

Funds Available for Projects This FY	\$ 4,431,000
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#### Bonds Closed This FY

1 Weber-Box Elder Conservation Dist	E209	\$ 233,000	
2 Centerfield Town	L547	<u>255,000</u>	
Total Bonds Closed			\$ 488,000
Funds Balance			\$ 3,943,000

#### Projects with Funds Committed

* 1 Deweyville, Town of (Re-committal)	L557	\$ 520,000	
Total Funds Committed			\$ 520,000
Funds Balance			\$ 3,423,000

#### Projects Authorized

1		\$ -	
Total Funds Authorized			\$ -
Remaining Funds Available		#	\$ 3,423,000

\* To be presented at Board Meeting

# End of year balance if all listed projects were fully paid

## BOARD OF WATER RESOURCES

### Conservation & Development Fund

#### Funding Status

June 6, 2008

Funds Available for Projects This FY \$ 24,096,000

#### Projects Contracted/Bonds Closed This FY

1 Magna Water Co an Improvement Dist	E190	\$ 7,100,000
2 Ephraim Irr Co (Amend)	E061	120,000
3 South Jordan City (Bond Ins Grant)	E224	45,000
4 Weber Basin WCD (Ph 1)	E225	5,825,000
5 Clearfield City (Bond Ins Grant)	L559	24,000
6 Davis & Weber Counties Cnl Co (Ph 5)	E215	2,700,000
7 South Weber Irr Co	E208	1,216,000
8 Uintah WCD (Island Ditch)	E036	<u>1,122,000</u>

Total Funds Contracted/Closed	18,152,000
Funds Balance	\$ <u>5,944,000</u>

#### Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
2 Saratoga Springs City (Bond Ins Grant)	E218	117,000
3 Garfield County School Dist	E220	459,000
4 Jordan Valley WCD (Bond Ins Grant)	E228	<u>225,000</u>

Total Funds Committed	\$ 824,000
Funds Balance	\$ <u>5,120,000</u>

#### Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Richland Nonprofit Water Co	E087	335,000
3 Lake Creek Irr Co (Ph 2)	E102	300,000
4 Provo River Water Users Association	E177	60,000,000
5 Whiterocks Irr Co	E084	4,955,000
6 Central Utah W C D	E205	60,000,000
7 Weber Basin WCD (Ph 2+)	E225	56,035,000
8 Brooklyn Canal Co	E223	1,000,000
9 St George & Washington Canal Co	E129	2,450,000
10 Cub River Irr Co	E233	1,600,000
11 Brigham City	L560	6,000,000
12 Mapleton City	E232	1,900,000
13 Hooper Irr Co	E238	4,500,000
* 14 Uintah Water Conservancy Dist	E212	<u>4,370,000</u>

Total Funds Authorized	\$ 206,632,000
Remaining Funds Available	# \$ (201,512,000)

\* To be presented at Board Meeting

# End of year balance if all listed projects were fully paid

## BOARD OF WATER RESOURCES

June 6, 2008

ADDITIONAL ACTIVE PROJECTS	Fund	Est. Board Cost	Total Cost
<b>Projects Under Investigation</b>			
1 Woodruff Irrigating Co	D680 C&D	\$ 600,000	\$ 800,000
2 Kane County WCD	D828 C&D	1,500,000	2,000,000
3 Keith Johnson	D996 RCF	37,500	50,000
4 Hyrum Blacksmith Fork Irr Co	E047 C&D	1,230,000	1,640,000
5 Mayfield Irr Co	E067 RCF	187,500	250,000
6 East Juab County WCD	E071 C&D	375,000	500,000
7 Ferron Canal & Res Co	E082 C&D	2,625,000	3,500,000
8 Weber-Box Elder Conservation Dist	E113 C&D	9,750,000	13,000,000
9 Parowan City (Bond Ins Grant)	E121 C&D	34,000	2,034,000
10 Cottonwood Creek Consolidated Irr Co	E125 C&D	3,750,000	5,000,000
11 Fremont Irr Co	E131 C&D	1,500,000	2,000,000
12 Grantsville Irr Co	E150 C&D	321,000	428,000
13 Vernon Irr Co	E158 RCF	37,500	50,000
14 Kingston Irr Water Co	E169 RCF	85,000	240,000
15 Greenwich Water Works Co	E171 RCF	112,500	250,000
16 Bullion Creek Irr Co	E172 RCF	75,000	100,000
17 Fountain Green Irr Co (Flow Augment)	E186 RCF	75,000	100,000
18 San Juan WCD	E198 C&D	3,000,000	4,000,000
19 Midvale City	L556 C&D	7,125,000	9,500,000
20 Wallsburg Irr Co	E203 RCF	90,000	120,000
21 Leota Irr Co, Inc	E207 C&D	2,800,000	3,500,000
22 Corinne City	E216 C&D	80,000	100,000
23 West Field Irr Co	E217 RCF	68,000	85,000
24 Devil's Pass Water Co	E226 RCF	157,500	210,000
25 Thompson Ditch Co	E227 RCF	142,500	190,000
26 Barton-LeFevre-Tebbs Co	E229 RCF	487,500	650,000
27 Moroni Irr Co	E231 C&D	3,997,500	5,330,000
28 Blue Creek Irr Co	E239 RCF	37,500	50,000
29 West Bountiful City	L561 CWL	2,625,000	3,500,000
* 30 Settlement Canyon Irr Co	E240 RCF	500,000	600,000
* 31 Beaver/ Shingle Creek Irr Co	E241 RCF	400,000	800,000
Subtotal		\$ 43,805,500	\$ 60,577,000

\* New Application

## BOARD OF WATER RESOURCES

June 6, 2008

### Additional Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 9,496,000	\$ 10,084,575
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	28,369,000	33,375,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	11,588,000	13,561,180
4 Hooper Irr Co (Press Irr, Ph 4)	E060	C&D	<u>11,033,000</u>	<u>12,980,000</u>
Subtotal			<u>\$ 60,486,000</u>	<u>\$ 70,000,755</u>
TOTAL ADDITIONAL PROJECTS			\$ 104,291,500	\$ 130,577,755

### INACTIVE PROJECTS

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#### Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-212**

Received: 10/19/06

Approved: 12/8/06

To be Presented at the June 6, 2008 Board Meeting

SPONSOR: **UINTAH WATER CONSERVANCY DISTRICT**

General Manager: Scott Ruppe

LOCATION: The proposed project is located in the Pelican Lake area, about 18 miles southwest of Vernal in Uintah County.

EXISTING CONDITIONS & PROBLEMS: Several irrigation companies and a culinary water company obtain water from the Uinta and Whiterocks rivers, including the Uintah River and Ouray Park irrigation companies.

Historically, irrigation water for the Uintah River Irrigation Company has been diverted from the Uinta River and delivered through the 15-mile Moffat Canal to agricultural lands in the Gusher area. The company has rights to irrigate over 2,000 acres; however, because of the water supply, on average only about 1,600 acres are irrigated, which receive only about 1.7 acre-feet per acre.

The Ouray Park Irrigation Company delivers irrigation water to three areas: Leota Bench (3,000 acres), Cottonwood (3,750 acres), and Pelican Lake (5,250 acres). Water for the Leota Bench is diverted from the Whiterocks River and flows over 30 miles through the Whiterocks/Ouray Valley Canal to Brough Reservoir and on to the fields. On average, only about 2,000 acres are irrigated due to the short water supply, with only about 2.1 acre-feet per acre diverted.

Water for the Cottonwood and Pelican Lake service areas has historically been diverted from the Uinta River, routed through Cottonwood Reservoir, and delivered through the approximately 20 mile Ouray



Park Canal, which parallels the Moffat Canal in places. Because of the water supply, on average only 2.1 acre-feet per acre is diverted for the land in the Cottonwood service area, used on about 2,700 acres.

Over the past several years the sponsor (UWCD) has obtained funding from the Colorado River Salinity Control Program and has installed nearly 23 miles of pipe in the area below Cottonwood Reservoir (West Side Combined Canal Salinity Project-WSCCSP). This project replaced seven canals (55 miles) with pipeline, including the Moffat Canal and most of the Ouray Park Canal. The piped water now has enough pressure available to be pushed over the hill to Brough Reservoir located to the east if a pipeline existed to carry it.

Also, nearly four and three-quarter miles of the Ouray Park Canal from its bottom end up has been piped (Ouray Park Pipeline).

In 1996 and 1999 the board awarded UWCD a total of 51,800 acre-feet of its Flaming Gorge water right. Since then the sponsor, in cooperation with Duchesne County and Central Utah water conservancy districts, has been developing plans to utilize the water.

PROPOSED  
PROJECT:

The sponsor is requesting financial assistance from the board to install a system to utilize about 8,500 acre-feet of its Flaming Gorge water right by installing a water intake and pumping station on the Green River, a pressure boosting station, a 20 to 30 acre-foot regulating pond, and approximately three miles of pipeline (36-inch steel and 42-inch HDPE) to transport Green River water to the recently installed Ouray Park Pipeline. The proposed project also includes about three and one-half miles of 30-inch HDPE pipeline from the WSCCSP to Brough Reservoir.

Under the project, the Cottonwood service area of the Ouray Park Irrigation Company will be supplied (replacement and supplemental water) by water pumped from the Green River using the Ouray Park Pipeline. Then water normally delivered to the Cottonwood service area will be delivered to the Leota Bench and Uintah River Irrigation Company's service area to provide supplemental irrigation water.

The pump station is being designed to provide 50 cfs and be expandable to 65 cfs, with a lift of approximately 350 feet. The pipeline is sized to

carry 65 cfs. The pumps could be operated during non-peak irrigation periods to deliver water to Pelican Lake if a pipe were installed connecting the lake to the Ouray Park Pipeline.

Technical assistance is being provided by Franson Civil Engineers in American Fork.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$350,000	\$ 350,000
2.	River Intake w/ Pumps	LS	595,000	595,000
3.	Booster Station	LS	625,000	625,000
4.	Pipeline			
	a. 36-inch Steel	3,200 LF	225.00	720,000
	b. 42-inch HDPE	14,520 LF	110.00	1,597,200
5.	Fittings/Valves	LS	600,000	600,000
6.	Pond	LS	250,000	250,000
7.	Power	LS	630,000	630,000
8.	Instrumentation	LS	200,000	200,000
9.	Roads	LS	225,000	225,000
10.	Brough Pipeline (30-inch HDPE)	18,400 LF	75.00	<u>1,380,000</u>
Construction Cost				\$7,172,200
Contingencies				717,800
Pond & Pump Station Sites				160,000
Environmental Mitigation				200,000
Legal and Administrative				750,000
Preliminary Engineering				300,000
Design and Construction Engineering				<u>1,000,000</u>
TOTAL				\$10,300,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 4,370,000	42.4%
Public Market Bond	4,130,000	40.1
Salinity Control Grant	800,000	7.8
Sponsor	<u>1,000,000</u>	<u>9.7</u>
TOTAL	\$10,300,000	100%

If the board authorizes the project, it is suggested it participate with the sponsor in an interest rate buy-down to buy the market rate down to an effective rate of 2.0%. The market loan would be repaid in 18 years at an interest rate of approximately 5.3% with annual payments of about \$362,000. The \$4,370,000 bonded indebtedness to the board would be repaid concurrently in 25 years at 0% interest, with annual payments of about \$73,000 the first 18 years and approximately \$436,000 the remaining seven years.

Over the past several years the sponsor has contributed over \$2 million towards various engineering studies and water projects and is not able to contribute additional cost sharing. It has committed to paying off \$3 million of the bonded amount, with the remainder to be paid by those using project water.

ECONOMIC  
FEASIBILITY:

A project is economically feasible if the benefits derived from it over its life exceed the costs. Benefits from this project result from increased crop yields obtained as a result of an enhanced water supply, and have been estimated to be \$1.325 million, resulting in a benefit/cost ratio of 1.4.

FINANCIAL  
FEASIBILITY:

Benefits from installing the project were estimated to be from increased crop yields. Annual net benefits are computed as follows:

Annual benefit of increased crop production	\$1,325,000
Less Pump Station O&M	(220,000)
Less New On-farm O&M (pumping)	<u>(130,000)</u>
Net Annual Benefit	\$ 975,000

With the board's cost share of the project being 43.7%, it is suggested the sponsor's repayment ability be calculated at 43.7% of the net annual benefit, or \$426,100; however, in order to pay the bonds off in 25 years an annual payment of approximately \$436,000 is needed.

The \$436,000 payment divided by 8,500 acre-feet developed by the project equates to \$51.29 per acre-foot, of which the sponsor will pay \$18.08. The remaining \$33.21 will be paid by individuals who obtain newly created "G" shares (one share good for up to one acre-foot) in the Uintah River and Ouray Park irrigation companies. Those shareholders will also pay an annual O&M fee (based on shares and anticipated to be about \$3 per share), and a pumping charge and pump replacement charge (based on acre-feet pumped, about \$23 and \$1.50 per acre-foot, respectively). In a year when a full acre-foot of water per share is delivered, it is anticipated a shareholder would pay approximately \$60.71 per share.

**BENEFITS:**

The project will develop 8,500 acre-feet of Green River water to be used as a supplemental irrigation supply to agricultural lands served by Uintah River and Ouray Park irrigation companies, increasing crop yields.

The Brough pipeline will allow better management of irrigation water in the area. Utilizing the pipeline to deliver water to Brough Reservoir will take the Ouray Park Irrigation Company's water out of the Whiterocks/Ouray Valley Canal for 10 to 11 months of the year (high water will still be carried in the canal) and eliminate over 2,500 acre-feet of seepage loss. This will prevent about 3,000 tons of salt from entering the Colorado River system annually.

**PROJECT  
SPONSOR:**

The Uintah Water Conservancy District (UWCD) was formed in 1957 to operate and maintain the Vernal and Jensen Units of the Central Utah Project. The district helps manage water development projects throughout the county.

In January 2008 the board committed \$922,000 towards a project sponsored by the district to install a pump station where the Island Ditch crosses the Steinaker Service Canal. This loan will be paid over 25 years with annual payments of approximately \$47,200.

**WATER RIGHTS  
& SUPPLY:**

The sponsor holds numerous water rights. In 1996, the board awarded the district 8,400 acre-feet of Flaming Gorge Water Right 41-3487, and in 1999 it awarded an additional 43,400 acre-feet (WR 41-3523). The sponsor has since segregated 9,380 acre-feet of this water to individuals, to be developed under 20

separate filings. The sponsor intends to segregate 8,500 acre-feet to be diverted through the proposed project, at which time a point of diversion and nature and place of use will be specified. A stream alteration permit (and possibly a 404 permit from the Army Corps of Engineers) will need to be obtained.

The Ouray Park Irrigation Company holds Water Rights 43-245, 720, 1261, 3066, 3197, 3198, 3204, 3205, 3215, 3217 and 3568, which allow it to divert water from the Duchesne, Uinta, and Whiterocks rivers and their tributaries to irrigate over 12,000 acres. The Uintah River Irrigation Company holds Water Rights 43-3002 and 3610 to divert 30 cfs from the Uinta River to irrigate over 2,000 acres.

EASEMENTS: The river intake and pump station will be located on property obtained by the sponsor. The booster station and pipelines will be installed on private land, for which easements will need to be obtained. The regulating pond will be constructed on land obtained by the Ouray Park Irrigation Company with an easement to the Uintah Water Conservancy District.

ENVIRONMENTAL: The proposed project includes an intake structure and pumping facility on the Green River. The sponsor will need to work with the U.S Fish and Wildlife Service to comply with Upper Colorado Endangered Fish Recovery Program requirements (including a one-time payment of approximately \$18 per acre-foot of water depleted from the Colorado River).

WATER CONSERVATION: The proposed project will develop 8,500 acre-feet of Green River water and eliminate over 2,500 acre-feet of canal seepage loss. The water will be used in the Uintah River and Ouray Park irrigation companies' service areas.

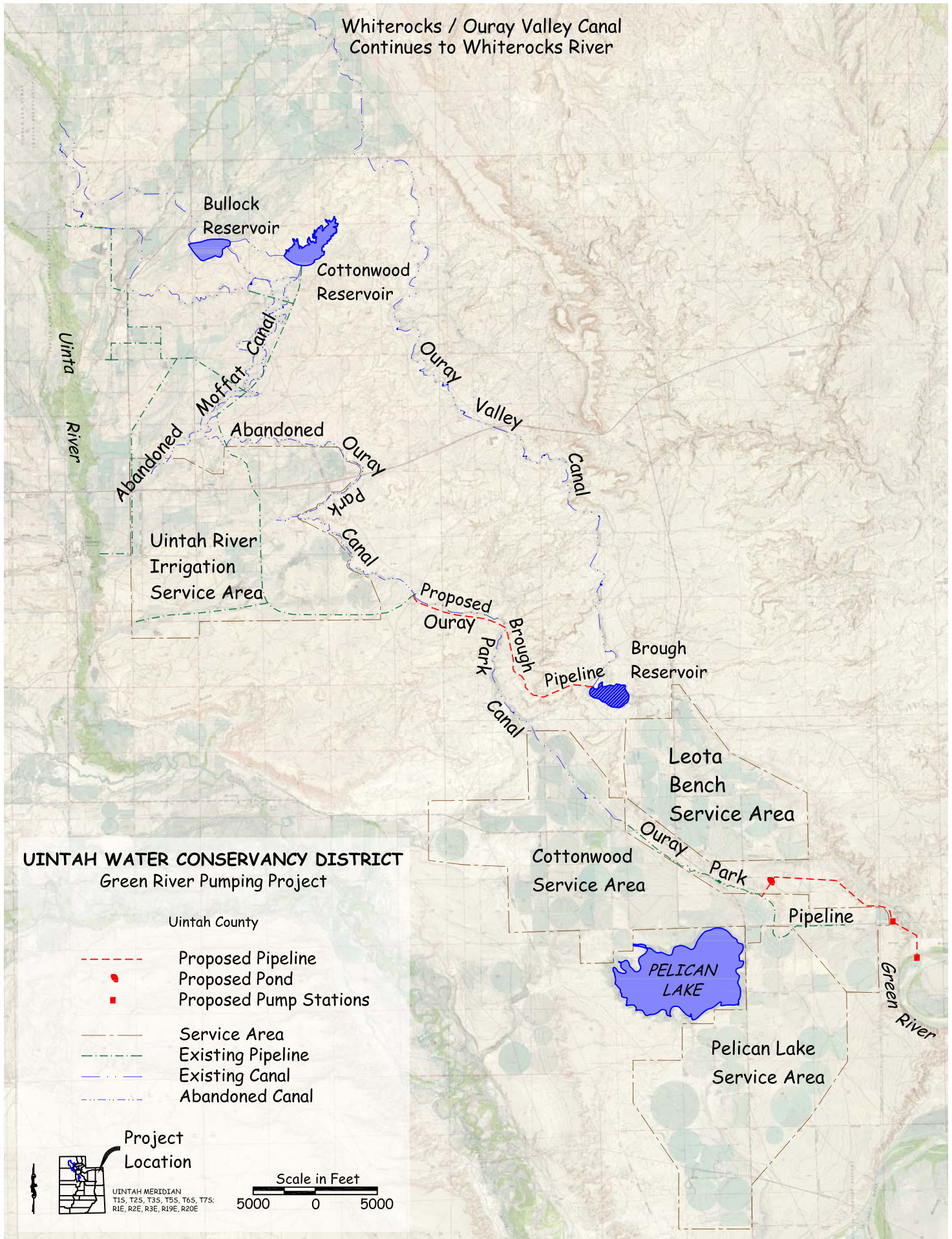
The sponsor will be required to update its water management and conservation plan.

SPONSOR'S RESPONSIBILITIES: The sponsor will be required to make all arrangements to sell the board a non-voted revenue bond, as well as verify adequate water rights exist to operate the project and are covered by agreements between the district and individual irrigation companies. Also, that all necessary permits, easements, and rights-of-way have been obtained to construct the project. If

the project is authorized, a list of requirements and procedures necessary to close the loan will be furnished to the district.

Staff recommends the board not consider committing funds to the project until at least 75% of the "G" shares have been sold.

PROJECT	General Manager:	Scott Ruppe
CONTACT		78 West 3325 North
PEOPLE:		Vernal, UT 84078
		Phone: (435) 789-1651
	Ouray Park Irr. Co.:	Vaughn Parrish
		HC 69 Box
		Randlett, UT 84063
		Phone: (435) 823-6884
	Uintah River Irr. Co.:	Neal Domgaard
		HC 67 Box 50
		Fort Duchesne, UT 84026
		Phone: (435) 722-4024
	Engineer:	Franson Civil Engineers
		1276 South 820 East, Ste 100
		American Fork, UT 84003
		Phone: (801) 756-0309





BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-235**  
Received: 12/24/07  
Approved: 01/25/08  
Authorized: 04/25/08

To be Presented at the June 6, 2008 Board Meeting

SPONSOR: **KAYS CREEK IRRIGATION COMPANY**

President: Scott H. Green  
1434 E. Cherry Lane  
Layton, UT 84040  
Phone: (801) 941-2010

LOCATION: The proposed project is located approximately two miles northeast of Layton in Davis County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to replace an existing intake structure at Hobbs Dam with a hydraulically operated gate system.

COST ESTIMATE & SHARING: The cost estimate and sharing remain as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$192,000	80%
Sponsor	<u>48,000</u>	<u>20</u>
TOTAL	\$240,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is suggested the loan terms remain as authorized: the project be purchased beginning in 2010 at 0% interest over five years with payments of approximately \$40,000 annually.



BOARD OF WATER RESOURCES

Committal of Funds

Cities Water Loan Fund

Appl. No.: **L-557**

Received: 9/15/06

Approved: 10/27/06

Authorized: 1/26/07

To be Presented at the June 6, 2008 Board Meeting

SPONSOR: ***DEWEYVILLE TOWN***

Mayor: Robert Thayne  
10870 N. Highway 38  
Deweyville, UT 84309  
Phone: (435) 257-9922

LOCATION: The proposed project is located in Deweyville Town, about 15 miles north of Brigham City in Box Elder County.

PROJECT SUMMARY: The sponsor serves culinary water for indoor and outdoor use to 127 connections. Water is supplied from a well and springs east of town. The sponsor's system is aging, has small transmission and distribution lines, and inadequate storage. The town cannot provide fire protection or accommodate future growth (a moratorium was issued in August, 2006), and the system is likely to fail without upgrades and improvements.

The board authorized funds in January, 2007 for the sponsor's proposed culinary water improvements, which include equipping a new well drilled in 2003-2004 during the drought, upgrading the main transmission and distribution pipelines, and constructing a 500,000 gallon concrete storage tank.

COST ESTIMATE & SHARING: The cost estimate for the project has increased due to increased construction costs. In addition, the sponsor has received a grant from the Army Corps of Engineers.

The authorized and proposed cost sharing are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$1,346,400	85%	\$ 520,000	27%
ACOE Grant	0	0	1,340,000	69
Sponsor	<u>237,600</u>	<u>15</u>	<u>92,000*</u>	<u>5</u>
TOTAL	\$1,584,000	100%	\$1,952,000	100%

\* \$92,000 represents 15% of the non-grant amount.

PURCHASE  
AGREEMENT:

The authorized purchase agreement requires the \$1,346,400 be returned at 1% interest over 30 years with annual payments starting at approximately \$42,900 and increasing 2% each year to approximately \$74,000, with a final payment of about \$86,400 (includes reserves).

If the board commits funds to the project, it is proposed the \$520,000 be returned at 1% interest over 13 years with annual payments starting at approximately \$42,500 and increasing 2% each year to approximately \$52,900, with a final payment of about \$42,400 (includes reserves).

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Additional Funds

Revolving Construction Fund

Appl. No.: **E-213**  
Received: 11/3/06  
Approved: 12/8/06  
Authorized: 1/26/07  
Committed: 8/10/07  
Recommitted: 3/12/08

To be Presented at the June 6, 2008 Board Meeting

SPONSOR: **ROCKY FORD IRRIGATION COMPANY**

President: Mark Truman  
P.O. Box 49  
Minersville, UT 84752  
Phone: (435) 386-2263

LOCATION: The project is located at Rocky Ford Dam on Beaver Creek, approximately five miles east of Minersville in Beaver County.

SUMMARY: In August 2007 the board committed funds for a project to replace the deteriorating spillway at Rocky Ford Dam. The project has been completed, but there were several unforeseen problems during construction, mainly from water seepage once the old spillway was removed. Due to these problems, the cost of construction and engineering/inspection services increased.

COST ESTIMATE & SHARING: The sponsor requests additional funds to cover the increased costs of the project. The contracted and proposed cost sharing are:

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$110,200	76%	\$145,200	76%
DWR	20,300	14	26,700	14
Sponsor	<u>14,500</u>	<u>10</u>	<u>19,100</u>	<u>10</u>
TOTAL	\$145,000	100%	\$191,000	100%

PURCHASE  
AGREEMENT:

The sponsor's current agreement with the board requires the project be purchased at 0% interest over approximately nine years with annual payments of \$13,000 starting in 2011. If the board commits additional funds to the project, staff recommends the agreement be amended to provide an additional \$35,000 and to state the sponsor will return the \$145,200 at 0% interest over approximately 12 years with annual payments of \$13,000 starting in 2011.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Additional Funds

Revolving Construction Fund

Appl. No.: **E-219**

Received: 2/5/07

Approved: 3/7/07

Authorized: 3/7/07

Reauthorized & Committed: 3/12/08

To be Presented at the June 6, 2008 Board Meeting

SPONSOR: **WAYNE COUNTY**

Commission Chair: Thomas A. Jeffery  
P.O. Box 189  
Loa, UT 84747  
Phone: (435) 836-2713

LOCATION: The project is located about two miles west of Hanksville in Wayne County.

SUMMARY: The project was reauthorized and funds committed by the board in March, 2007 for the Hanksville Canal Company to replace a destroyed diversion dam. Since that time, Wayne County has become the sponsor and the project design details have changed considerably to include a sluicing structure, fish raceway, and 1.5 miles of pipeline. In March, 2008 the sponsor requested additional financial assistance from the board to assist the Hanksville Canal Company with the project. The project was put out to bid and the bids were two to three times higher than the engineer's estimate. The sponsor re-bid the project and the low bid did decrease, but bids were still above the contracted amount.

COST ESTIMATE AND SHARING: The sponsor is requesting additional funds to cover the increased estimated cost of the project. The contracted and proposed cost sharing are:

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 810,000	15%	\$1,346,000	20%
NRCS Grant	3,900,000	74	4,684,000	71
Sponsor	<u>570,000</u>	<u>11</u>	<u>570,000</u>	<u>9</u>
TOTAL	\$5,280,000	100%	\$6,600,000	100%

PURCHASE  
AGREEMENT:

The current purchase agreement requires the \$810,000 be returned in 25 years at 0% interest with annual payments of \$32,400. If the board commits additional funds to the project, staff recommends the agreement be amended to provide an additional \$536,000 and to state the sponsor will return the \$1,346,000 at 0% interest over 25 years with annual payments of \$53,840.

BOARD OF WATER RESOURCES

Special Item

Authorization and Committal of Funds

Revolving Construction Fund

Appl. No.: **E-237**  
Received: 2/14/08  
Approved: 3/12/08

To be Presented at the June 6, 2008 Board Meeting

SPONSOR: **WHISPERING PINES WATER COMPANY**

President: Eugene Rino

LOCATION: The proposed project is located approximately seven miles southeast of Mount Pleasant in Sanpete County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides culinary water to the Whispering Pines subdivision, which consists of 123 building lots that were all sold by the time the water system was installed in the early 1980's. Currently, 28 lots have been built on (including 20 full-time residences), and four residences (two full-time) tied to the system have been built adjacent to the development with an additional nine shares, for a total of 132 "A" shares. The company also provides a community tap for holders of 101 "B" shares to obtain water to haul to approximately 60 summer homes and numerous camps/lots in the area east of the development.

Water is obtained from two wells drilled in the late 1970's. These wells were equipped with pumps when drilled in anticipation of supplying water to approximately 536 lots as part of a much larger development. However, subsequent phases did not materialize and the 35 gpm artesian flow from the wells was adequate to serve the existing connections; therefore, power was never brought in, the pumps sat idle, and have become inoperable. The water system also includes a 125,000-gallon storage tank and 28 fire hydrants.

Water from the wells is also used to irrigate approximately 50 acres of pasture owned by Recreational Lands, Inc.

Until recently, the artesian flow from the wells has been sufficient for culinary use; use has increased due to an average of two to three new homes being built each year, and increased summer use by "B" shareholders. Additional source capacity is also needed to provide fire flow. The pastureland has experienced annual water shortages.

The sponsor and Recreational Lands, Inc. were under a water right proof deadline of February 28, 2008 and last fall cleaned one well, installed pumps, and test pumped both wells using portable generators.

PROPOSED  
PROJECT:

The sponsor is requesting financial assistance from the board to make improvements to its culinary water system by cleaning, test pumping, and installing pumps at the wells (completed last fall), bringing power to the wells, constructing a well house at the lower well and an addition to the upper well-house, installing water level controls and telemetry, and installing a meter, backflow prevention valve, and drain at the community tap. Technical assistance is being provided by Wall Engineering from Fillmore.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and cost of completed work and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$10,000	\$ 10,000
2.	Power to Wells	LS	84,000	84,000
3.	Telemetry/Controls	LS	20,000	20,000
4.	Well Buildings	LS	38,000	38,000
5.	Community Tap	LS	3,000	<u>3,000</u>
	Improvements			
	Construction Cost			\$155,000
	Contingencies			15,000
	Prior Clean/Test Pump of Wells			36,000
	Prior Furnish & Install of Pumps			28,000



Legal and Administrative	6,000
Design and Construction Engineering	<u>25,000</u>
TOTAL	\$265,000

COST SHARING  
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$225,000	85%
Sponsor	<u>40,000</u>	<u>15</u>
TOTAL	\$265,000	100%

Well cleaning, test pumping, and pump installation were completed last fall, for which the sponsor obtained a bridge loan. The sponsor requests those items be included in the board's funding.

If the board authorizes the project, it is suggested it be purchased with annual payments of \$12,800 at 0% interest over approximately 18 years.

FINANCIAL  
FEASIBILITY:

Based on the board's water service affordability guideline, residents in the area could pay around \$32.69 monthly for water. The cost of all water, based on 45 metered "A" share connections (includes 12 metered connections without homes) and 25 equivalent "B" share connections (101 "B" shares/4; one "B" share is allotted ¼ the water of an "A" share), is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$18,000	\$21.43
Proposed BWRe Loan	<u>11,300</u>	<u>13.45</u>
TOTAL	\$29,300	\$34.88

Benefit from the agricultural land is based on an increase in pasture yield of 1 AUM per acre, resulting in an annual benefit of \$1,800. With the board's cost share of the project being 85%, it is suggested the agricultural part of the repayment be calculated at 85% of the annual benefit, or \$1,530. Combining the culinary and agricultural parts of repayment comes to \$12,800.

BENEFITS:

Completion of the project will increase the sponsor's water source capacity from 35 gpm to approximately 360 gpm. This will enable it to serve growth as well

as provide flow capacity for fire protection. The automated controls and improvements to the community tap will allow for more efficient operation of the system and greater water use accountability. The pasturelands will receive additional water, increasing yield.

PROJECT  
SPONSOR:

The Whispering Pines Water Company was incorporated on May 1, 1991 and is in good standing with the Department of Commerce. Its system is rated "Approved" by the Division of Drinking Water. The 132 "A" shares are held by approximately 78 individuals; the 101 "B" shares by about 86.

The sponsor recently raised water rates to the following:

"A" Share w/metered tap	\$340/year	0.45 ac-ft
"A" Share w/o tap	\$150/year	0.45 ac-ft
"B" Share	\$80/year	0.11 ac-ft

The meters are read twice a year and an overage of \$0.50/1,000 gallons is charged.

The sponsor has not received funding from the board in the past.

WATER RIGHTS  
& SUPPLY:

The sponsor is co-owner of Water Right 65-1948 with Recreational Lands, Inc., as amended by change application a12657, which allows drawing water from the two wells for domestic and irrigation uses. Water right proof has been filed and is under review by the State Engineer's office. Once the proof is certificated, the sponsor's 70.76 acre-foot portion (132 "A" shares x 0.45 acre-feet and 101 "B" shares x 0.1125 acre-feet) will be segregated.

Recreational Lands, Inc. has filed proof on 153.75 acre-feet for the irrigation of 51.25 acres. Since both culinary and agricultural water is being delivered through project facilities, staff recommends title to the entire water right be taken by the board.

EASEMENTS:

Project construction will occur on existing easements and rights-of-way.

ENVIRONMENTAL:

No long-term environmental impact is foreseen.

WATER  
CONSERVATION:

The sponsor will be required to complete a water management and conservation plan, adopt a rule prohibiting landscape irrigation between 10 a.m. and 6 p.m., and enact water rates that encourage water conservation.

SPONSOR'S  
RESPONSIBILITIES:

If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
  - a. Assign properties and easements required for the project to the Board of Water Resources.
  - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
  - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
  - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
  - c. The company has obtained all permits required for the project.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
  - a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

7. Adopt a rule prohibiting its shareholders from irrigating landscapes between 10 a.m. and 6 p.m.

8. Adopt water rates that encourage water conservation.

9. Execute a service agreement with Recreational Lands, Inc. and submit a copy to the Division of Water Resources as an attachment to the agreement between the water company and the board.

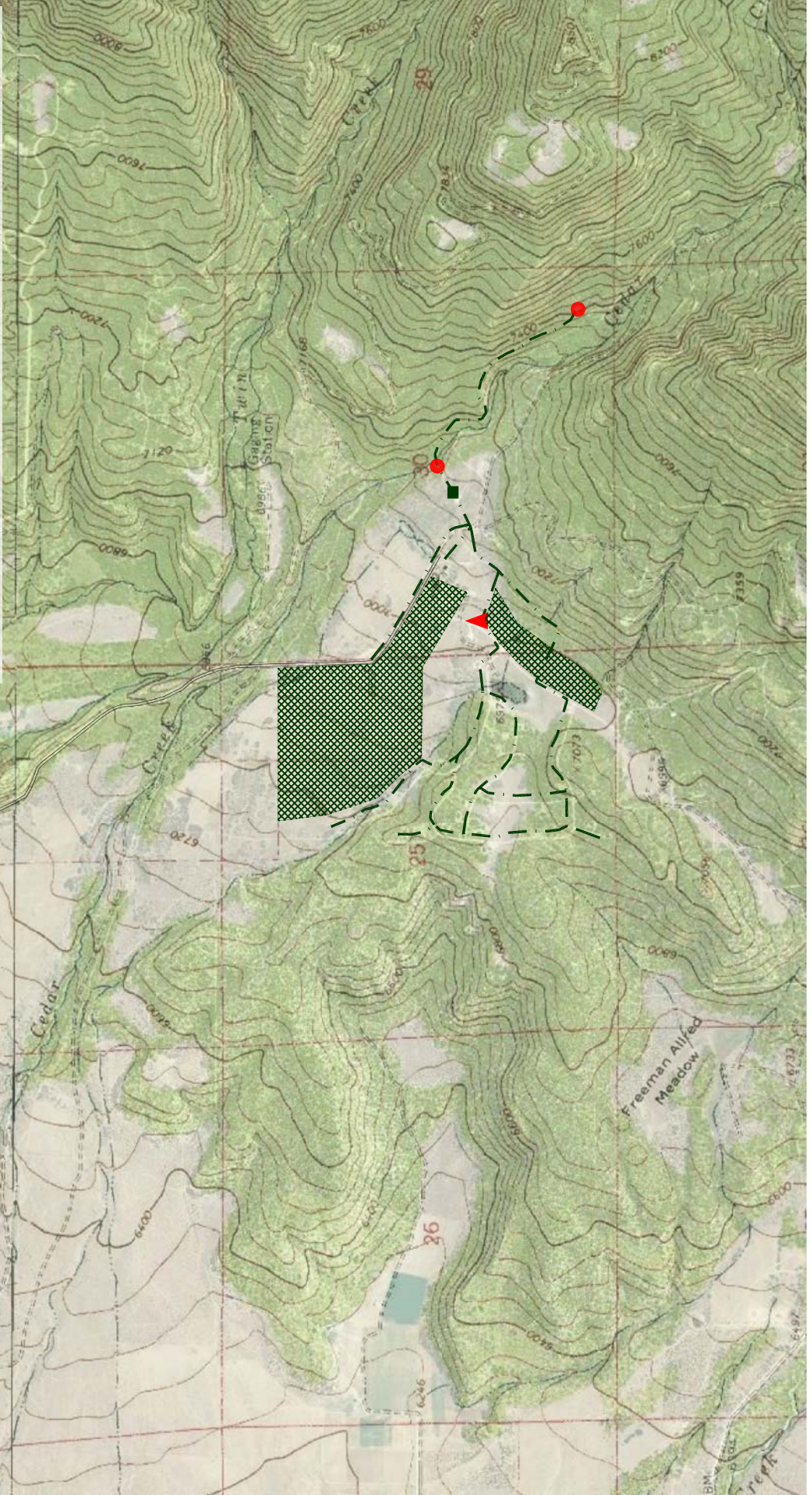
STAFF COMMENTS: The sponsor has completed the majority of the board's requirements and requests funds be committed at this time so it can complete the project before the heavy summer usage period begins.

PROJECT	President:	Eugene Rino
CONTACT		P.O. Box 85
PEOPLE:		Mt. Pleasant, UT 84647
		Phone: (435) 462-2394
	Secretary:	Owen Howell
		P.O. Box 85
		Mt. Pleasant, UT 84647
		Phone: (435) 462-9464

Engineer:

Wall Engineering  
P.O. Box 39  
Fillmore, UT 84631  
Phone: (435) 864-7503





BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-240***

Received: 5/12/08

SPONSOR: ***SETTLEMENT CANYON IRRIGATION COMPANY***

President: Gary Bevan  
853 W. Vine Street  
Tooele, UT 84074  
Phone: (435) 850-2188

LOCATION: The proposed project is located about one half mile south of Tooele City in Tooele County.

PROPOSED PROJECT: The sponsor is requesting assistance to install meters on agricultural shareholders' connections.

WATER RIGHTS: 15-182

COST ESTIMATE: \$600,000



BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-241***

Received: 5/20/08

SPONSOR: ***BEAVER/SHINGLE CREEK IRRIGATION COMPANY***

President: Duane Lambert  
95 South Main  
Kamas, UT 84036  
Phone: (435) 783-4743

LOCATION: The proposed project is located by Kamas City in Summit County.

PROPOSED PROJECT: The sponsor is requesting assistance to drill and equip a 12-inch irrigation well.

WATER RIGHTS: 35-828

COST ESTIMATE: \$800,000



*Unapproved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES BRIEFING MEETING  
April 25, 2008

Olmstead Room  
East Complex  
Capitol Hill  
Salt Lake City, Utah

Minutes of the  
Board of Water Resources Briefing Meeting  
4/25/08 – 10 a.m.

Attendees

Paul McPherson	Dennis Strong
Blair Francis	Eric Millis
Brad Hancock	Todd Adams
Harold Shirley	Val Anderson
Craig Johansen	Randy Staker
J. Stew Paulick	Geralee Murdock
Bob Bessey	Rick Gold
Ivan Flint	Paul Blanchard
Steve Speckman (Dnews)	Ted Baudendistel (MWH)

Director Strong informed the Board the reason the meeting was being held at the Olmstead Room in the East Complex at Capitol Hill is because Darin Bird invited a federal committee he sits on to Salt Lake and the only room available for a meeting with them was our Board meeting room at the Department of Natural Resources. Darin lined up a tour of the Capitol with the Capitol Architect at 11:15 a.m. Lunch will be at noon and the Board meeting will be at 1:00 p.m.

Discussion of Projects

Mapleton City

Val Anderson reported the city obtains its culinary water from several wells and springs to serve its 2,033 connections. Three wells have been contaminated with various chemicals used in the manufacture of explosives at a facility south of the city. In cooperation with the Division of Water Quality about 1500 gpm of contaminated water is discharged continuously from the three wells. During the summer months a portion of this water is used for pressurized irrigation. The rest is discharged into Hobbie Creek. There is no regulating pond on the system so the majority of the residents use culinary water for irrigation.

The city is requesting assistance to install a city-wide secondary irrigation system. It will be built in two phases. They want to start construction on phase one in 2008 consisting of a regulating pond and appurtenances. Phase two will start in 2010 consisting of the pipe and facilities necessary to provide city-wide secondary irrigation.

The Board will enter into an interest-rate-buydown with the city to buy the market rate down to an effective rate of 4%. Director Strong said there will be two bonds – one will be sold to the Board and one to the market.

### Hooper Irrigation Company

Ivan Flint said he had gone out and looked at the project. Val Anderson said the project is on the edge of the service area and is located in the unincorporated area of Taylor and West Weber. They are requesting financial assistance to construct a lawn and garden system in that area. They want to install up to 1200 connections with a 30 year repayment. The estimated cost of the project is \$5.3 million. Ivan Flint said most of the system will be in the old Wilson Irrigation area. It is a good project. It is an extension of the project they have been doing in the past.

### Kays Creek Irrigation Company

The project is on Hobbs Reservoir. The outlet control gate and intake are old, worn out, leaky, do not function well, and need to be replaced. Mr. Flint said they snaked in a plastic pipe into the hole and didn't do anything to the valve and valve box. They are going to fix the control gate and repair the outlet works. It is not a big project, but they are on top of it. Val Anderson said dam safety said the valve they have is one of the oldest in the state.

Director Strong said one of staff's concerns is the work that's been done and is proposed to be done be consistent with any dam safety work that needs to be done in the future so the work won't need to be redone.

Ivan Flint said the company has a contract with Weber Basin to put water in the reservoir when they don't have any water.

### Committal of Funds

#### Glenwood Irrigation Company

Dennis Strong said the committal of funds is the same as authorized.

### Lake Powell Pipeline Project

Eric Millis said application documents were submitted in early March to FERC that covers the licensing of the project. FERC will release a scoping document on the project and hold a series of scoping meetings in June. In April meetings were held with the land owners and people from St. George showing an overview of the project and try to answer questions. The first week of April they met in Kanab, Hurricane, Apple Valley and Big Water. Three hundred attended the meetings. This week meetings were held in Cedar City and St. George with principally water users. In St. George about 15 came and in Cedar City there were 50.

FERC will develop an MOU and have that done within the next month or two. The principal concern of FERC will be the power. FERC will be the lead agency. MWH will finish

up the preliminary design this summer. MWH will begin environmental studies next week and it will take about two years to complete the work.

### Bear River Development

Eric Millis said CH2MHill is moving along with a study. They have completed drilling and sent samples to the lab for analysis. They will be looking at different cross sections for the dam next to determine suitability of the site.

Meeting adjourned at 11:00 a.m.

*Unapproved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
April 25, 2008

Olmstead Room  
East Complex  
Capitol Hill  
Salt Lake City, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the March 12, 2008 meeting were approved with suggested change. Page 1
  
2. The Mapleton City project was authorized and the Board will participate in an interest rate buy-down with the city to buy the market rate down to an effective rate of 4%. The repayment period and annual payments of each phase will be determined at the time funds are committed. Page 2
  
3. The Board authorized the Hooper Irrigation Company project at 1% interest over 30years with annual payments to be determined at committal of funds. The company's cost-share will be reduced from 15% to 10%. Page 3
  
4. The Kays Creek Irrigation Company project was authorized with annual payments of approximately \$40,000 at 0% interest over five years beginning in 2010. Page 4
  
5. Funds were committed to the Glenwood Irrigation Company in the amount of \$128,000 (84%) to be purchased at 0% interest over 20 years with annual payments of \$6,400. Page 4

## THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Friday, April 25, 2008, in the Olmstead Room, East Complex, Capitol Hill, Salt Lake City, Utah. Chair Paul McPherson presided over the 1:00 p.m. meeting.

### BOARD MEMBERS PRESENT:

Paul McPherson  
Blair Francis  
Harold Shirley  
Stew Paulick  
Brad Hancock  
Craig Johansen  
Ivan Flint  
Bob Bessey

### STAFF MEMBERS PRESENT:

Dennis Strong, Director  
Eric Millis, Deputy Director  
Todd Adams, Asst. Director  
Randy Staker, Accountant  
Val Anderson, Chief, Investigations  
Tom Cox, Engineer  
Russell Hadley, Engineer  
Joel Williams, Engineer  
Marisa Egbert, Engineer  
Geralee Murdock, Administrative Secretary

### OTHERS PRESENT:

Darren Hess, Weber Basin Water Conservancy District  
  
Laurel Brady, Mayor, Mapleton City  
Bob Bradshaw, City Administrator, Mapleton City  
Gary Calder, City Engineer, Mapleton City  
Jonathan Ward, Vice President, Zions Bank  
  
Theo Cox, President, Hooper Irrigation Company  
John Diamond, Director, Hooper Irrigation Company  
Max Hunter, Director, Hooper Irrigation Company



Dennis Flinders, Water Manager, Hooper Irrigation Company  
OTHERS PRESENT CONT'D.

Val Surrage, Manager, Taylor/West Weber Water District  
Tracy Allen, Project Engineer J U B Engineers

Scott Green, President, Kays Creek Irrigation Co.  
Jay Love, Vice-president, Kays Creek Irrigation Co.  
Lois Cook, Secretary/Treasurer, Kays Creek Irrigation Co.  
Joseph Hill, Director, Kays Creek Irrigation Co.  
Glen Perkins, Board Member, Kays Creek Irrigation Co.  
Dee C. Hansen, Engineer, Kays Creek Irrigation Co.

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
April 25, 2008 - 1:00 p.m.

Chair McPherson welcomed everyone to the meeting.

APPROVAL OF MINUTES

Bob Bessey made the motion, seconded by Harold Shirley to approve the minutes of the March 12, 2008 meeting with a suggested change. The Board unanimously agreed.

WATER SUPPLY REPORT

Randy Julander said we had very little snow last year at this time. He said this year snow packs have just barely started to melt. Down south they are melting in full swing. The percentages keep creeping up because the snow is not melting as it should be. Soil moisture is drier this year than last year. When you look at the surface water supply index 50% is average, above that means you have more water than a normal year, below that means you have less water. In terms of reservoir storage the Bear continues to be low, Weber is a little on the low side because of Willard Bay. Provo and Duchesne are doing reasonably well. Everything in Southeast Utah should fill. The drought monitor indicates the only place of worry in Utah is on the Bear River system because of lack of reservoir storage.

FEASIBILITY REPORTS

#E-232 Mapleton City

Chair McPherson introduced Bob Bradshaw, Laurel Brady, Gary Calder and Jonathan Ward. Tom Cox reported Mapleton City in Utah County, gets culinary water from several wells and springs. Three wells have been contaminated from an explosive manufacturing plant. In cooperation with the Division of Water Quality a program has been initiated in which about 1,500 gpm of contaminated groundwater is pumped, filtered and discharged continuously from the three wells. During the summer some of that water is used for irrigation for 400 homes in the northwest quadrant. The remainder of the water is discharged into Hobble Creek. There is no regulating pond and that results in fluctuating pressures. The majority of the other homess use culinary water for outside irrigation.

The city is requesting financial assistance to install a city-wide secondary irrigation system to be constructed in two phases. Phase 1 is anticipated to start this summer includes 180 acre-foot pond and approximately 2 ¼ miles of 15-8" PVC pipe from Mapleton well #1. The project also includes ¾ miles of concrete pipe to bring overflow to the pond, a booster pump station to pressurize the system. Phase 2 is to be built in 2010. The project is estimated to cost

about \$17.8 million. If the Board authorizes the project it is proposed the Board will participate in an interest rate-buydown to buy the market rate to 4% interest. The final bond amount repayment period and payments will be determined at the time funds are committed to each phase. The benefit cost ratio has been calculated to be 1.17 for the project. According to the Board's affordability guideline residents should be able to pay \$67.00 per connection per month.

The city is contracted with Central Utah for about 4,500 acre-feet of Central Utah Project water of which about 1,000 will be returned to the district for use in its June Sucker Recovery Program. The water will be delivered through the CUP and water in exchange will be kept in Hobble Creek and Maple Creek for the fish recovery program.

Mayor Brady said this project is critical because of the situation with contaminated wells and because of the fact they're using treated expensive culinary water to irrigate. We're concerned about that and also about conserving water in general. We appreciate being here and appreciate any assistance you can give us.

Brad Hancock made the motion to authorize the Mapleton City project and participate in an interest rate buy-down with the city to buy the market rate down to an effective rate of 4%. The repayment period and annual payments of each phase will be determined at the time funds are committed. Blair Francis seconded the motion and the Board unanimously agreed.

Director Strong asked if the irrigation companies were supportive of the project. The Mayor said they're very supportive and anxious to see this happen.

#### #E-238 Hooper Irrigation Company

Chair McPherson introduced Theo Cox, John Diamond, Max Hunter, Dennis Flinders. Val Surrage and Tracy Allen. Russell Hadley reported the unincorporated communities of Taylor-West Weber located west of Ogden City have experienced considerable residential growth during the last few years. This growth puts a strain on culinary water supplies in Taylor-West Weber Water Improvement District who are suppliers of culinary water. There's a need for pressurized lawn and garden systems that would use the irrigation water previously supplied for farmland in the area.

The Hooper Irrigation Company is requesting financial assistance to construct a pressurized lawn and garden system in Taylor and West Weber. The project will consist of a 25 acre-foot reservoir, pump station and 10.2 miles of ductile iron and PVC pipe. The company plans to install 310 connections to existing homes to start the project, with up to 1,200 that could be served at capacity.

The cost estimate is currently estimated at \$5.3 million. The economic feasibility shows the benefit cost ratio to be favorable for the project. Financial feasibility suggests the sponsor could afford to pay up to \$30.23 per connection while it is projected the water users would be paying about \$50.23 per connection to repay the project.

Wilson Irrigation Company stock is to be used to supply water for the project. For each acre brought into the system, the landowner will turn over ½ share to the Hooper Irrigation Company for secondary water service and ½ share to the Taylor-West Weber Water Improvement District for culinary water.

Theo Cox thanked the Board for meeting with them today and for consideration of this project and also the 1% interest for the project. They also asked the Board to consider a lower match percentage if possible. They need the lower match percentage to pick up the 300+ existing homes that are already there. The new subdivisions must hook up to the system. The lower match percentage would help pick up some existing homes.

Tracy Allen said they had a public involvement campaign going on right now and have PR experts that are going door to door to explain the project to the people and explain the alternative of secondary water vs. what culinary water can cost over the long term hoping to generate enthusiasm amongst the existing people. He said this particular project has the ability to share the reservoir site with Weber Basin and they will construct their own small pump station at the reservoir and take water in their direction, and Hooper will take water in the other direction. This eliminates one of the facilities Weber Basin had planned in their master plan for the area, and it also eliminates some future costs for secondary water in the area by sharing the reservoir together.

Ivan Flint asked Darrin Hess if Weber Basin felt good about the collaborative effort. Mr. Hess said they felt good about it and about the fact they don't have to build the reservoir and pump station to serve the north service area.

Ivan Flint said he went and toured the project and it looks like a great project. It's a continuation of the Hooper project that's going on now. He made the motion the Hooper Irrigation Company's cost-share be reduced from 15% to 10%. He also said the project is to be authorized at 1% interest over 30 years with annual payments to be determined at committal of funds. Bob Bessey seconded the motion and it was agreed unanimously upon the Board.

#### #E-235 Kays Creek Irrigation Company

Chair McPherson introduced Scott Green, Jay Love, Lois Cook, Joe Hill, Dee Hansen and Glen Perkins. Joel Williams reported the company provides irrigation water from South Fork, Middle fork, and Hobbs Canyon creeks to about 750 acres of sprinkle irrigated farmland around Layton, to pressurized lawn and garden connections east of Layton. The Hobbs reservoir is impounded by an earthfill dam built in 1919. The outlet of this dam, a 12-inch concrete pipe, was recently slip-lined with a 10-inch HDPE pipe. The outlet control gate and intake are old, worn out, leaky, do not function well, and need to be replaced. The dam is rated "High Hazard" and lies immediately upstream of several residential neighborhoods in east Layton. Mr. Williams showed pictures of the disintegrating pipe and control gate.

The company is requesting financial assistance from the Board to replace the existing intake structure at Hobbs Dam with a new hydraulically operated gate system connected directly

to the slip-lined pipe HDC Engineering, LLC will provide design and construction engineering services. The total estimated cost of the project is \$240,000,

In 1984 the Board provided over \$500,000 for repair of an embankment failure and the company is currently repaying the loan at approximately \$40,000 a year. That assistance will be paid off in 2009 and therefore, staff recommends the payments on the proposed project begin in 2010.

Mr. Green said the company tried to fix the leak and it was way beyond their ability. They felt like this was the best time to repair this leak if the state would lend them the money. It will keep the state happy in the safety of the dam and more secure for the homes down below the dam. Chair McPherson asked if the repair could be done before the season starts. Mr. Green said no, they are going to do it after the season.

Blair Francis asked if this was under the dam safety act? Mr. Green said Dave Marble said it was routine maintenance.

Ivan Flint made the motion to authorize the Kays Creek Irrigation Company project with annual payments of approximately \$40,000 at 0% interest over five years beginning in 2010. Blair Francis seconded the motion, and it was unanimously agreed upon by the Board.

## COMMITTAL OF FUNDS

### #E-221 Glenwood Irrigation Company

Marisa Egbert reported Glenwood Irrigation Company, six miles east of Richfield in Sevier County, is requesting financial assistance to upgrade its secondary system by installing several pressure regulating valves and vaults, and 1,000 feet of 4-inch pipe. The cost estimate and sharing remain as authorized.

Bob Bessey made the motion to commit funds to Glenwood Irrigation Company in the amount of \$128,000 (84%) to be purchased at 0% interest over 20 years with annual payments of \$6,400. Harold Shirley seconded the motion and the Board unanimously agreed.

## DIRECTOR'S REPORT

Director Strong said Hook Canyon has been in the news lately. It is a pump back storage reservoir at Bear Lake. The Governor came out in opposition to Hook Canyon. He has a problem with it being connected to Bear Lake. He is concerned that Hook Canyon is a net consumer of energy because you've got to pump the water back, you have friction losses when you run it back down the pipeline. His thought process is you have to build additional coal-fired power plants in order to make this work.

The Bear River Commission met last week. Bear Lake is going to be about 30% full. The allocation to the irrigators is about 85% of the full allocation.

On Wednesday, April 23, the Executive Water Issues Task Force met. That task force has been formed as directed by statute. There are no legislators on the task force only district people, farm bureau people, cities, lawyers, etc. Craig Johansen will represent the Board. Director Strong is on the task force as an ex-officio member. Ideas and things that ought to be looked at came out of the meeting. These ideas will be summarized and sent out. When we receive them we will send them to the board members. This Task Force will focus on items in certain water rights issues. Some are statute and some are administrative. Ivan Flint asked if the task force was a one time deal. Mr. Strong said he thought it would only be for one year. They are trying to make recommendations for legislation in the next season.

The Interim met a week ago and Mr. Strong was to report on water supply. They wanted an update on Lake Powell. Rep. Mathis was there wanting to discuss Flaming Gorge water right issues. Staff will go out to the Basin next month and meet with Rep. Mathis and Senator Vantassel and Board member Brad Hancock. This is an issue of concern in the basin. When their water right was transferred to the Board of Water Resources it came without strings because it wasn't going to be used in the Uinta Basin and the intent of the Board was to use this water somewhere because it wasn't going to be used in the Uinta Basin. Things have changed since 1996. Director Strong will report back after the meeting.

Craig Johansen suggested somewhere in November or October a letter go to the Uinta Basin folks informing them documentation must be submitted to staff by December 1 so the Board knows what's been proved up on. Director Strong said that is a good idea. The Board meeting is early in December.

Mr. Strong said He and Ron Thompson, Robert Adler from the Dixie College Law School and Paul Van Dam had a head to head discussion about Lake Powell Pipeline, and Colorado River development. About 150 attended at the Dixie Forum at Dixie College and most of those folks were against the project. and more than half of them probably hadn't lived there for more than five years. They were against the project probably because of growth.

Next Board meeting we will be talking to the Board about an amendment to the Lake Powell Pipeline project. Montgomery's contract ends in August and a lot of things have changed.

In August (14-15) we will be going to Cedar City for the Board meeting as Harold has agreed to host us. We will go see Upper Enterprise, Lower Enterprise and traditionally we've gone to the Shakespeare Festival. In October we'll tour Mill Hollow if the weather is good.

Meeting adjourned at 2:45 p.m.

*Approved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
March 12, 2008

Crystal Inn  
1450 S. Hilton Drive  
St. George, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the January 25, 2008 Board meetings were approved as presented. Page 8
2. The Board authorized the Cub River Irrigation Company project in the amount of \$1,600,000 (65%), to be purchased at 2% interest over 15 years with annual payments of approximately \$129,000. Page 2
3. The Board authorized the Brigham City project in the amount of \$9,000,000 (65%) to be repaid at 0% interest over 20 years with approximate annual payments of \$474,000. That money will not be available until July 1st, and is contingent on the board receiving it from DCED. The Board also authorized the Brigham City project in the amount of \$6,000,000 to be repaid concurrently in 20 years at 4% interest with approximate annual payments of \$472,000. Page 3
4. Funds were committed to the East Fielding Pump & Distribution Company in the amount of \$57,000 (76%) to be returned at 0% interest over 11 years with payments of approximately \$5,200 annually. Page 3
5. Funds were committed to the South Cove Culinary Water Company in the amount of \$66,000 (85%) to be returned at 0% interest over 10 years with payments of approximately \$6,600 annually. Page 3
6. The Board recommitted funds to Uintah Water Conservancy District in the amount of \$1,122,000 (60%) to be returned at 2% interest over 25 years with annual payments of approximately \$60,300 (includes reserves of \$10,000 for the first six years). Page 4
7. The Board reauthorized and committed funds to the New Escalante Irrigation Company in the amount of \$300,000 (2.3%) to be purchased at 0% interest with annual payments of approximately \$14,600 for 14 years and the balance to be paid in two years at approximately \$47,800. The Board also authorized the New Escalante Irrigation Company the use of dam safety grant funds (80% grant) in the amount of \$7,520,000 to remove and replace the existing Wide Hollow Dam. Page 5
8. The Board amended the contract with Rocky Ford Irrigation Company to provide an additional \$22,900, for a total of \$110,200 (76%), to be returned at 0% interest over approximately 9 years with annual payments of \$13,000 starting in 2011. Page 5

9. The Board reauthorized and committed funds to Wayne County in the amount of \$810,000 (15%) to be repaid at 0% interest over 25 years with annual payments of \$32,400. Page 6
10. The Board authorized and committed funds to Fountain Green Irrigation Company in the amount of \$230,000 (85%) to be returned at 0% interest over 24 years with annual payments of approximately \$9,700. Page 6
11. The Board tabled the request by Uintah Water Conservancy District and Duchesne County Water Conservancy District to retain Flaming Gorge Water Rights 41-3487, 3523, and 3530, until the December, 2008 board meeting. Page 8

## THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Wednesday, March 12, 2008, at the Crystal Inn, 1450 S. Hilton Drive, St. George, Utah. Chair Paul McPherson presided over the 2:00 p.m. meeting.

### BOARD MEMBERS PRESENT:

Paul McPherson  
Brad Hancock  
Robert Bessey  
Ivan Flint  
Harold Shirley  
Craig Johansen  
Blair Francis  
Stew Paulick

### STAFF MEMBERS PRESENT:

Dennis Strong, Director  
Eric Millis, Deputy Director  
Todd Adams, Asst. Director  
Randy Staker, Accountant  
Val Anderson, Chief, Investigations  
Tom Cox, Engineer  
Russell Hadley, Engineer  
Marisa Egbert, Engineer  
Gina Hirst, Engineer  
Barbara Allen, Secretary

### OTHERS PRESENT:

Randy Julander, USDA/NRCS Snow Survey

Paul Dent, Project Chairman, Cub River Irrigation Company  
Mark Gibbons, Cub River Irrigation Company  
Eric Franson, Franson Civil Engineers  
Dan Bolke, Franson Civil Engineers

Voneene Jorgensen, General Manager, Bear River WCD  
Charles Holmgren, President, Bear River Canal Company  
Bruce Leonard, City Administrator, Brigham City  
Dennis Sheffield, Finance Director, Brigham City  
Kevin Hamilton, Commercial Development Director, Box Elder County  
John Lajoie, Projects Manager, Procter & Gamble, Inc.

OTHERS PRESENT CONT'D:

Jason Burningham, Lewis Young Robertson & Burningham  
Brett Jones, Brigham City Engineer, Jones & Associates

Clair Allen, South Cove Culinary Water Company

Dan Davidson, General Manager, East Fielding Pump & Distribution Co.

Gawain Snow, Chairman, Uintah Water Conservancy District  
Michael Collins, Bowen Collins & Associates

Bartt Carter, Board Member, New Escalante Irrigation Co.  
Dale L. Wilson, Board Member, New Escalante Irrigation Co.  
Aaron Stewart, Board Member, New Escalante Irrigation Co.  
Todd Phillips, Board Member, New Escalante Irrigation Co.  
Fran Wilson, Secretary, Wide Hollow WCD  
Jay Franson, Franson Civil Engineers  
Phil Gerhart, President, Gerhart Consultants  
Larry Gray, Region Manager, Utah Division of State Parks & Recreation  
Lawrence Twitchell, Ass't. Region Manager, Utah Division of State Parks & Recreation  
Roland Prince, Project Manager, Utah Division of State Parks & Recreation  
Dan Clark, Construction Manager, Utah Division of State Parks & Recreation  
Kerry Carpenter, Regional Engineer, Utah State Division of Water Rights  
Dave Marble, Utah State Division of Water Rights  
Kent Jones, Assistant State Engineer, Utah Division of Water Rights

Thomas A. Jeffery, Commissioner, Wayne County  
Ronnie Albrecht, President, Hanksville Canal Company  
Ken Dastrup, USDA/NRCS

Lester W. Anderson, Board Member, Fountain Green Irrigation Co.  
Larry D. Gilgen, Board Member, Fountain Green Irrigation Co.  
Mary T. Gilgen, Secretary, Fountain Green Irrigation Co.

William Merkley, Trustee, Uintah WCD  
Gale Rasmussen, Board Member, Uintah WCD  
David Rasmussen, Consultant, Uintah WCD  
John B. Hunting, Ass't. Manager, Uintah WCD  
Addie Snow, Uintah WCD  
Randy Crozier, General Manager, Duchesne County WCD  
David Robertson, Ass't. Vice President, Lewis Young Robertson & Burningham

Gene Shawcroft, Central Utah WCD  
Paul Blanchard, Northwest Pipe Company  
Nancy Perkins, Reporter, Deseret Morning News

MINUTES OF  
THE BOARD OF WATER RESOURCES MEETING  
March 12, 2008

Chair McPherson welcomed everyone and introduced new board member Stew Paulick. Mr. Paulick said he was raised in Tooele, graduated from the University of Utah with a degree in mechanical engineering, and worked for Tooele Army Depot as a design and project engineer, ultimately getting into chemical weapons disposal. He handled a number of large, high-money projects, both from a design and development aspect and from operational aspects. He said he doesn't have any preconceived notions about the water business, which is a positive thing.

WATER SUPPLY REPORT

Randy Julander said this year is 180 degrees what it was from last year. In most cases there is double the snow pack this year than there was last year, and in almost all cases it is at least average and mostly above, with the exception of the Escalante. We start looking at it in terms of Utah specifically, the Bear River situation - 100% of average. There is a little bit of an anomaly in the snowpack, starting in the Weber drainage and southward, and that is a lot of low-elevation snowpack. Reservoir storage is up; they are expecting all reservoirs in the state to fill, with the exception of Bear Lake and the reservoirs that have fill restrictions. A little bit of the snowpack will be lost to satisfy soil moisture deficits, but even with that stream flow forecasts are for 110% to 130% of average.

FEASIBILITY REPORT

#E-233 Cub River Irrigation Company

Chair McPherson introduced Mark Gibbons and Paul Dent. (Also attending: Eric Franson and Dan Bolke.) Marisa Egbert reported the Cub River Irrigation Company serves agricultural land in Utah and Idaho, but the proposed project is located in and around Lewiston in Cache Valley, supplying agricultural water to about 6,400 acres there. The sponsor would like to install a pressurized irrigation system to replace a ditch system, and is requesting financial assistance from the board to install about nine miles of pipeline and three new pump stations. The sponsor is also requesting that existing pipeline be included with its cost share. The sponsor is asking for 65% of the total cost, or \$1.6 million, from the Utah Board of Water Resources, and has requested \$500,000 or 20% from the Board of Water Resources in Idaho. The sponsor's share would be 15% or \$360,000. Total cost of the project is estimated to be \$2.46 million. The suggested loan terms are 2% interest for 15 years with approximate annual payments of \$129,000; however, the sponsor is requesting the loan terms be 2% over 21 years, for approximate annual payments of \$96,000. For the 6,400 acres in concern that would be about \$15 a share, or \$15 an acre. The sponsor has received assistance from the board several times over many years in the past; it has returned all of that financial assistance with the exception of the newest project, which was started in 2006.

Paul Dent said the request for a repayment term of 21 years is important because much of the land is held by elderly people and many of the others in the company are going to step up as tenants of the property and make the payments. The longer repayment period would help them greatly. Blair Francis said this is a good water company with a very good record with the state, and the request for 21 years makes a lot of sense. Mr. Francis made the motion to authorize the Cub River project out of the Conservation and Development Fund, and to loan \$1,600,000, to be returned at 2% interest over 21 years with annual payments of approximately \$96,000. Ivan Flint seconded the motion, which passed unanimously.

#### #L-560 Brigham City

Chair McPherson introduced Bruce Leonard, Dennis Sheffield, Kevin Hamilton, John Lajoie, Jason Burningham, Brett Jones, Voneene Jorgensen, Charles Holmgren, and Dan Davidson. Gina Hirst reported that Brigham City in Box Elder County serves culinary water to 5,200 connections from several wells and springs located in and around the city. It has a total of 12.75 million gallons of storage, and a distribution system in good condition. Proctor and Gamble has decided to locate a paper products manufacturing plant in Box Elder County, about nine miles northwest of Brigham City. The plant will have a major impact on the economy of the area, providing jobs and growth to the entire county. The Governor's Office of Planning and Budget conducted a REMI analysis showing a 10-year net benefit to the state of nearly \$188 million.

Brigham City has agreed to provide about four million gallons per day to Proctor and Gamble for the facility. The county has developed an economic development area and will use funds collected in property taxes from Proctor and Gamble to pay for the capital costs of the project.

The Brigham City cemetery currently uses 1 million gallons per day to water the cemetery through the summer months, and the city would like to conserve that culinary water by upgrading the Mantua Reservoir intake structure to provide secondary water to the cemetery. It is requesting financial assistance from the board to construct about nine miles of pipeline to the site, and upgrade four miles of pipeline throughout the city to keep pressures at adequate levels for fire protection and residential use. It will also drill two new wells and equip an existing well, and upgrade the Mantua Reservoir intake. The total estimated cost is \$15.9 million, and the sponsor is requesting \$15 million from the board. The Utah State Legislature, through the Department of Community & Economic Development (DCED), appropriated \$9 million to the board to help fund the project. The board would participate in two bonds with the city: the first bond would be for \$9 million and would be repaid in 20 years at 0% interest with approximate annual payments of \$474,000. This money will not be available until July 1st, and should be contingent on the board receiving it from DCED. The second bond would be for \$6 million and would be repaid concurrently in 20 years at 4% interest with approximate annual payments of \$472,000.

The estimated cost of the project on an annual basis is \$1,346,000. Operation and maintenance costs would be covered by revenues from water rates assessed to Proctor and Gamble. The city has not established what that rate will be, but it could be about \$1.75 per

thousand gallons and will cover not only the O&M costs, but it will also cover future replacement costs. The two bonds from the board would be paid by the tax increment collected by the county. The sponsor is not received assistance from the board in the past.

Bruce Leonard said Brigham City is excited about the project. It will be an enormous benefit for the State of Utah, Box Elder County, and the surrounding communities in Box Elder County.

Blair Francis made a motion that the project be authorized and the \$9 million bonded indebtedness be repaid in 20 years at 0% interest with approximate annual payments of \$474,000. That money will not be available until July 1st, and is contingent on the board receiving it from DCED. Also that the \$6 million bonded indebtedness be repaid concurrently in 20 years at 4% interest with approximate annual payments of \$472,000. Brad Hancock seconded the motion. Motion passed unanimously.

## COMMITTAL OF FUNDS

### #E-230 East Fielding Pump & Distribution Company

Chair McPherson welcomed Dan Davidson. Val Anderson reported the East Fielding Pump and Distribution Company project was presented to the board in December 2007. It is requesting financial assistance to replace an existing vandalized pump, four head gates, and six canal structures. The cost estimate and cost sharing remain as authorized. The total project cost is \$75,000, with the board cost sharing \$57,000 or 76%, and the sponsor \$18,000 or 24%. The loan terms also remain as authorized: the project is being purchased at 0% interest over 11 years with annual payments of approximately \$5,200 annually. Blair Francis made a motion to commit funds to the East Fielding Pump and Distribution Company for \$57,000 (76%). The project will be purchased at 0% interest over 11 years, with payments of approximately \$5,200 annually. Harold Shirley seconded the motion. Motion passed unanimously.

### #E-222 South Cove Culinary Water Company

Chair McPherson welcomed Clair Allen. Gina Hirst reported the South Cove Culinary Water Company project was authorized to drill and equip a 200-foot well as a back-up supply source and to provide additional water for the irrigation of lawns and gardens. The cost estimate and sharing remain the same as authorized with the Board of Water Resources providing \$66,000 (85%) of the total project cost and the sponsor providing \$12,000 (15%) of the total cost of \$78,000. The board committed funds to the project with loan terms remaining as authorized: the project will be purchased at 0% interest over 10 years with approximate annual payments of \$6,600.

Blair Francis moved that the Board of Resources commit funds to the South Cove Culinary Water Company out of the Revolving Construction Fund for \$66,000 (85%) to be purchased at 0% interest over 10 years with annual payments of \$6,600. Bob Bessey seconded the motion. Motion pass unanimously.

## SPECIAL ITEMS

### #E-036 Uintah Water Conservancy District

Chair McPherson introduced Mike Collins and Gawain Snow. Gina Hirst reported the board committed funds to the Uintah Water Conservancy District to install a pump station where the Island Ditch crosses the Steinaker service canal. The sponsor held a bid opening and the costs were about \$450,000 higher than the cost estimate. The sponsor eliminated some components of the project to reduce the cost and will use some reserve funds to increase its portion of the cost sharing, but requested the board provide an additional \$200,000, (a total of \$1,122,000 or 60% of the total project cost) for the project. The sponsor will provide 24% of the project cost.

Gawain Snow told the board the extra cost was due to the high cost of labor in the Uinta Basin. Brad Hancock made a motion to recommit funds from the Conservation Development Fund to the Uintah Water Conservancy District for an additional \$200,000 (a total of \$1,122,000) to be returned in 25 years at 2% interest with annual payments of approximately \$60,300. Ivan Flint seconded the motion. Motion passed unanimously.

### #E-077 New Escalante Irrigation Company

Chair McPherson introduced Bartt Carter, Dale Wilson, Fran Wilson, Jay Franson, Aaron Stewart, Todd Phillips, Larry Gray, Dan Clark, Roland Prince, Lawrence Twitchell, (Phil Gerhart, Kerry Carpenter, Kent Jones also attending). Tom Cox reported New Escalante Irrigation Company in Garfield County provides irrigation water from the Escalante River to a piped irrigation system that was constructed in the 1980s with funding from the board. Water is stored in the Wide Hollow Reservoir, which is an off-stream site that was built in 1953 and held about 2,400 acre-feet at the time. Since then the reservoir has silted in to about half the original capacity, dam safety studies show the spillway is not adequate to pass the required flood, and the foundation is liquefiable in an earthquake. The sponsor's diversion on the Escalante River is also deteriorating and needs some work. In the mid-90s the sponsor requested staff to look at other dam sites. A site about 1 1/2 miles northwest of Wide Hollow Reservoir was chosen for additional study because of its higher elevation and a greater storage capacity. In 2004 the board authorized funding a dam at that site; however, the environmental assessment and easement by the BLM were appealed by environmental groups, and in order to avoid a lengthy legal battle the sponsor opted to pursue improvements at the existing dam site. Raising the dam at the existing site will inundate 25 additional acres and encroach on the Escalante State Park.

The sponsor requested financial assistance to remove the existing Wide Hollow Dam and rebuild it to a higher elevation, and also to make improvements to its diversion facility. This will increase the capacity to 2,600 acre-feet and raise the water level about eight feet. The project cost is estimated at \$13 million. The sponsor obtained a federal grant of about \$5 million through the Army Corps of Engineers, and requested that Water Resources provide a loan of 2.3% of the total project cost, up to a maximum of \$300,000, to cover improvements to the diversion on the Escalante River.



The sponsor also requested a Dam Safety Grant of 80% of the total estimated amount of the dam safety repair work, to a maximum of \$7.52 million. A new dam will double the existing capacity of the present structure, and this will increase the water to the fields by an average of 650 acre-feet per year, which will on average reduce the shortages by 1/3. Dam safety issues will be resolved with the construction of a new structure.

Jay Franson reported on the details of the work and said the sponsor is willing to commit to get it done, even though the farmers will be out of water during the irrigation season of 2010. Dan Clark from the state's Division of Parks and Recreation said they are excited about the project. It will help with the recreational activities at the park and it's a good project. They are concerned that the estimate of the impact the work would have on the park is low and would like to meet with the engineering firm to re-address some issues.

Harold Shirley made a motion to reauthorize the reconstruction of Wide Hollow Dam, which was approved in 2002 and authorized in 2004, with \$300,000 from of the Revolving Construction Fund, and a grant of 80% of the estimated \$9.4 million, not to exceed \$7.52 million, from the Dam Safety Grant Fund. The loan is to be paid back at 0% interest with payments of about \$14,600 for 14 years, and approximately \$47,800 for the final two years. Bob Bessey seconded the motion. Motion passed unanimously.

#### #E-213 Rocky Ford Irrigation Company

Marisa Egbert reported that in August, 2007, the board committed funds to replace the deteriorating spillway at Rocky Ford Dam. The bids came in higher than the engineer's estimate. The sponsor has made an agreement with the Division of Wildlife Resources to help out financially by providing 14% of the cost of the project. The sponsor is also requesting additional funds from the board. Originally the board committed \$87,300, or 90% of the project, and the sponsor is now requesting \$110,200, or 76% of the project. The sponsor will contribute 10%, which is \$14,500. The current committed amount loan terms are 0% interest for seven years, with annual payments of \$13,000; the proposed loan terms for the additional funds are 0% interest for approximately nine years, with the same annual payment of \$13,000.

Harold Shirley made a motion to commit an additional \$22,900 to Rocky Ford Irrigation Company from the Revolving Construction Fund at 0% interest, with repayments of \$13,000 per year for nine years. Craig Johansen seconded the motion. Motion passed unanimously.

#### #E219 Wayne County

Chairman McPherson introduced Thomas Jeffery, Ronnie Albrecht, and Kent Dastrup. Marisa Egbert reported the project is located about two miles west of Hanksville, and was originally authorized for Hanksville Canal Company. Since that time Wayne County has become the sponsor and the project has changed considerably. Wayne County will now be assisting Hanksville Canal Company in replacement of its diversion structure. In October of 2006, the Hanksville diversion structure was destroyed and stockholders were only able to get one cutting of alfalfa for the irrigation season. The sponsor is requesting financial assistance for

a project which will include a new diversion structure, a sluicing structure, approximately 1 1/2 miles of pipeline, and a fish raceway. The new diversion structure would be about 200 feet long 10 feet high. Wayne County is requesting \$810,000 from the board, which would be 15% of the project cost. The NRCS has been providing engineering, and will also be providing a grant of \$3.9 million, or 74% of the cost share, and the sponsor will provide \$578,000, or 11%. Much of that will come in the way of in-kind materials and labor. The suggested loan terms are 0% interest over 25 years, for annual payments of \$32,400. Wayne County has not received assistance from the board in the past; Hanksville Canal Company received assistance in 1948 and that has been repaid.

Thomas Jeffery said that without this diversion structure and the board's financial funding of the project, there would be no Hanksville. Kent Dastrup said they are confident the structure is stable and will exceed its design life considerably.

Bob Bessey made a motion to reauthorize the project and provide funding of \$810,000 (15%), at 0% interest over 25 years with annual payments of \$32,400. Ivan Flint seconded the motion. Motion passed unanimously.

#### #E-234 Fountain Green Irrigation Company

Chairman McPherson introduced Lester Anderson, Larry D. Gilgen, and Mary Gilgen. Russell Hadley reported the Fountain Green Irrigation Company serves pressurized sprinkle irrigation water to farmlands south of Fountain Green and to lawns and gardens in town. The company operates three separate irrigation systems supplied by three springs and a well. The Big Springs division serves 2,230 acres and is almost completely enclosed in pipeline, except for a 2,500-foot section of 60-year old concrete ditch beginning where the water exits the hydropower plant. This section creates problems with moss and debris getting into the system, as well as seepage losses. The sponsor is requesting technical and financial assistance from the board to remove the old concrete ditch, replace it with about 3,000 feet of 18-inch 80 psi pipe, and install four turnouts for livestock watering. Division staff has been requested to provide design and construction engineering services. The total project is estimated to cost \$270,000, and the sponsor is asking the board to provide \$230,000, or 85% of the cost sharing. It is suggested the loan be returned at 0% interest over 24 years with annual payments of approximately \$9,700.

Bob Bessey moved to authorize the project and commit funds in the amount of \$230,000 (85%), to be repaid over 24 years with annual payments of approximately \$9,700. Harold Shirley seconded the motion. Motion passed unanimously.

FLAMING GORGE WATER RIGHT  
41-3487, 3523, 3530  
Uintah Water Conservancy District  
Duchesne County Water Conservancy District

Chairman McPherson introduced Randy Crozier, Gawain Stone, Addie Snow, William Berkley, Gale Rasmussen, G. Robinson, John Hunting, and David Rasmussen. Tom Cox reported that recently a report was completed for the UWCD and the DCWCD that indicated there was about 200,000 acre-feet diverted from the Uinta River drainage system. The study indicated the future water demand in the district service area far exceeds the amount available. The districts are continuing to include additional storage in the Green River Basin, which will enable them to more fully develop their full Flaming Gorge water rights.

In 1996 the board awarded the Uintah Water Conservancy District 8,400 acre-feet of Water Right 41-3487, limited to 5,176 acre-feet of depletion. In 1999 the board gave the district another right of 43,400 acre-feet of diversion, limited to 20,000 acre-feet of diversion (Water Right 41-3523). To date, 700 acre-feet of the first water right and 3,657 acre-feet of the second water right have been segregated, including about 1,000 acre-feet for energy development.

The board awarded Duchesne County Water Conservancy District 47,600 acre-feet of diversion, limited to 31,168 acre-feet of depletion, of Water Right #41-3530. So far 2,900 acre-feet has been segregated from that water right to Newfield Oil for use in its oil injection wells.

Staff recommended the Uintah WCD be allowed to retain all of Water Right 41-3487 for 8,400 acre-feet, and also retain 33,700 acre-feet of Water Right #41-3523, limited to 15,530 acre-feet of depletion. Staff also recommended the Duchesne County WCD be allowed to retain 39,150 acre-feet of Water Right #41-3530, limited to 25,630 acre-feet depletion.

Randy Crozier spoke to the board to request the districts be allowed to retain their original water right amounts as they have projects being developed to use the water. There will be future development and growth that will require additional water, and the lack of water will hinder that growth. Water was originally promised to the Uinta Basin through the CUP project, but when the ultimate phase of that project was deauthorized and not constructed, the hope for more water for the basin was taken away.

Brad Hancock suggested the board defer making a decision at this time, and wait until the December board meeting. That would allow the board to do research into what waters will be available after the final proof due date of December 31. He promised the two districts that no more of the water rights would be reclaimed that was being considered at the present, and said there might be more water for them if they were willing to wait.

Harold Shirley said if a motion were made now, it would lock in the amount awarded to the districts. If a motion was deferred until December and water came back from some of the other rights, then there might be more water available to the districts.

Gawain Snow said the Uintah WCD has spent several hundred thousand dollars on engineering and a project to pump water out of the Green River will be ready to bid this summer. They have worked with the Bureau of Reclamation on salinity projects and brought pipelines to make exchanges to serve many people. They are working to put the water to use. Water is very vital out in the Basin. He expressed appreciation to the board for taking their needs into consideration, and thought the motion to defer was a good one.

Mr. Hancock made a motion to defer making a decision until the December board meeting, and to postpone the proof due date to December 31, 2008. Bob Bessey seconded the motion. Motion passed unanimously.

### APPROVAL OF MINUTES

Craig Johansen moved that the minutes from the January 25, 2008 meetings be approved. Bob Bessey seconded the motion. Motion passed unanimously.

### LAKE POWELL PIPELINE

Eric Millis reported that the Preliminary Application Document (PAD) has been submitted to the Federal Energy Regulatory Commission (FERC) to start the licensing, permitting, and environmental compliance processes for the Lake Powell Pipeline project. It is anticipated it will be a 4-4½ year process that will hopefully resolve in the licenses and permits being issued for the project. There are to be five in-line power plants located along the way, including one at the 1,200-foot drop at the Hurricane Cliffs east of Sand Hollow Reservoir. They would generate about 1/3 of the power needed to pump the water from Lake Powell. Then there will be another lift to take the water up to Cedar City. He said there is still a fair amount of analysis that needs to be done to get the final numbers, but at this point they expect to generate about 180 gigawatt hours per year. Mr. Millis said that MWH has worked hard to get everything completed for the application. The division will be sending copies of a DVD that contains the PAD to the various agencies and others that are interested in the project. They will also be available at the offices in St. George and Salt Lake City so people can peruse the documents and get copies of them if they would like.

The next big step in the process will be the Scoping process, where FERC will put together a scoping document that gives information about the project. That document will be available to agencies, the public, the Tribes, and anyone interested. The public can then comment on the project. Scoping meetings are proposed for June. FERC will conduct the meetings and take comments back for their licensing decision. FERC has a schedule laid out for this process and everything should click right along. Nothing should be subject to too much change unless there is controversy or there are things that are not anticipated. That might slow the process down.

MWH has now billed for \$2.76 million, which is about 49% of its contract. They will be working with the Lake Powell Pipeline Management Committee on public involvement, i.e., the

scoping and other meetings with the public, and agency coordination. They will also be working to complete preliminary designs and start the environmental studies. They have completed the water assessments for the three districts, and Larry Anderson has reviewed those.

## BEAR RIVER DEVELOPMENT

Eric Millis said the division was interested in sending out a Request for Proposal for an engineering firm to look at bringing water from the Bear River in a pipeline that would begin somewhere in the Bear River-Brigham City area and move water down to Willard Reservoir. He has talked to Norm Johnson in the Attorney's General office about purchasing land, and have scheduled a meeting with the Department of Facilities and Construction Management on the 26<sup>th</sup> to get more information about acquiring land.

Drilling is being done in the Washakie area to obtain soils information for the dam site there. The studies should begin soon.

## DIRECTOR'S REPORT

Director Strong introduced Barbara Allen, who will assist Geralee Murdock as secretary to the board. He said one of the items passed in the 2008 legislative session was an amendment to the board's guidelines that would allow the board to purchase bonds from anyone that could sell a bond. Previous legislation was restrictive in that it allowed the board to purchase bonds only from political subdivisions. This is a good thing because it will now allow the board to do an interest buydown if and when a project is ready to go forward.

Mr. Strong welcomed Stew Paulick, saying that while it took some time to get his name approved, the board is glad he's here and look forward to working with you.

## NEXT MEETING

The next meeting of the Board of Water Resources will be held on April 25 in Salt Lake City.

Bob Bessey moved that the meeting be adjourned. Stew Paulick seconded. Motion passed.

Meeting adjourned at 5:15 p.m.